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FISCAL IMPACT REPORT

SPONSOR Maestas ORIGINAL DATE 2/23/2007
LAST UPDATED _____ HB 1205
SHORT TITLE Teaching of Financial Literacy in Schools SB _____
ANALYST Aguilar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with HB 68 and SB 211 and HB 584 and SB 561

SOURCES OF INFORMATION

LFC Files

Responses Received From
Public Education Department (PED)

SUMMARY

Synopsis of Bill

House Bill 1205 provides that financial literacy be offered as an elective for high school students. The bill also makes technical changes to language.

SIGNIFICANT ISSUES

Financial literacy has received notable attention since the passage of Title V of the Fair and Accurate Credit Transaction Act (FACT Act) that established the Financial Literacy and Education Commission with the purpose of improving the financial literacy and education of persons in the United States. There is current data on high school student financial literacy and their understanding of what is financial literacy. Results indicate that there is some indication of improvement from the 2004 to the 2006 survey, but it is minimal and less than 60 percent.

While financial literacy is a component of the Economics Strand of the New Mexico Social Studies Content Standards and is incorporated into the required semester economics graduation unit, it is acknowledged that the time given to this topic is limited and that students might be better served with an option of having this elective available.